

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 DODE-00 FPC-01 H-01 INR-07 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06 OES-07
SP-02 SS-15 STR-05 TRSE-00 ACDA-12 PA-01 PRS-01
NEA-10 /120 W

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R 041248Z NOV 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 0007
INFO AMEMBASSY PARIS
AMEMBASSY BONN
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY BRUSSELS

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USEEC ALSO FOR EMBASSY

USOECD ALSO FOR EMBASSY

E.O. 11652: N/A
TAGS: ENRG UK
SUBJECT: OIL WEST OF SHETLANDS

REF: LONDON 12752

1. BEGIN UNCLASSIFIED: A NEW TEXACO OIL FIND WEST OF
THE SHETLAND ISLANDS, LABELED "MYSTERY FIND" IN THE
FINANCIAL TIMES, KEEPS ALIVE SPECULATION OVER PROSPECTS
FOR THE AREA. STILL, NO COMMERCIALLY EXPLOITABLE FIELDS
HAVE YET BEEN ANNOUNCED BY ANY FIRM, AND THOSE COMPANIES
HAVING REPORTED OIL OR GAS FINDS, INCLUDING TEXACO, RE-
MAIN PREDICTABLY SILENT WHILE EVALUATING THEIR DRILLING

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RESULTS.

2. DISCOVERIES OF OIL OR GAS WHICH ARE NOW (A) DECLARED
TO BE NONCOMMERCIAL OR (B) AS YET UNEVALUATED OR UN-
ANNOUNCED, FORM A DIAGONAL LINE PARALLEL TO THE SHETLANDS
AND RUNNING SOUTHWEST TO NORTHEAST SOME 30-45 MILES OFF-
SHORE. ALL ARE IN WATER LESS THAN 600 FEET DEEP, I.E.,

NO DEEPER THAN FIELDS NOW BEING EXPLOITED IN THE NORTH SEA. IMMEDIATELY NORTHWEST OF THIS LINE OF DISCOVERIES, HOWEVER, THE SEABED DROPS AWAY TO DEPTHS WHICH ARE A MULTIPLE OF THE CONTINENTAL SHELF WATERS. WHILE SOME COMPANIES ARE DRILLING ELSEWHERE IN WATERS UP TO 1,500 FEET DEEP (E.G., WEST OF IRELAND), EXISTING PRODUCTION TECHNOLOGY WOULD LIMIT ANY CURRENT EXPLOITATION PROGRAMS TO THE MORE COMFORTABLE DEPTHS. SINCE EXPLORATION LICENSES WEST OF THE SHETLANDS ARE SCHEDULED TO BE RELINQUISHED TO HMG IN THE SPRING OF 1978 IF NO PRODUCTION PLANS ARE FORMULATED, THE UNCERTAINTIES OVER COMMERCIAL PROSPECTS FOR THE REGION SHOULD NOT DRAG ON INDEFINITELY. END UNCLASSIFIED.

3. BEGIN LIMITED OFFICIAL USE: WE HAVE LIGHTLY QUERIED SEVERAL BP OFFICIALS OVER THEIR EVALUATION OF THE BP FIND REPORTED IN REFTEL, BUT THEY ARE TYPICALLY NON-COMMITAL. SEVERAL UK DEPARTMENT OF ENERGY (UKDOE) OFFICIALS AS WELL AS OTHER OIL COMPANY OFFICIALS OPERATING IN THE UK SAY THEY ARE PUZZLED OVER RESULTS TO DATE OF ALL DRILLING WEST OF THE SHETLANDS AND OVER THE ABILITY OF THE GEOLOGIC STRUCTURE OF THIS AREA TO HARBOR LARGE OIL OR GAS FIELDS. BUT IN THE NEXT FEW MONTHS THIS UNCERTAINTY SHOULD STOP. THE CONTINENTAL SHELF POLICY DIVISION OF THE UKDOE TELLS US IT IS "EXTREMELY UNLIKELY" THAT THE APPROACHING LICENSE LIMITED OFFICIAL USE

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RELINQUISHMENTS WILL BE EXTENDED. BY NEXT SPRING, THEREFORE, WE SHOULD SEE EITHER THE ANNOUNCEMENT OF SOME PRODUCTION PLANS OR THE ICING AWAY OF ACTIVITY WHILE LICENSES ARE TAKEN UP FOR POSSIBLE REDISTRIBUTION IN FUTURE LICENSING ROUNDS. BREWSTER

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Sent Date: 04-Nov-1977 12:00:00 am
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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